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FISCAL IMPACT STATEMENT

LS 6310

BILL NUMBER: SB 113

NOTE PREPARED: Nov 30, 2012

BILL AMENDED:

SUBJECT: Local Air Pollution Control Agency Contracts.

FIRST AUTHOR: Sen. Randolph

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Commissioner of the Department of Environmental Management (IDEM) to enter into a contract with a local air pollution control agency whenever the local air pollution control agency is willing to enter into a contract. It provides that, under such a contract, the local air pollution control agency is to carry out certain air pollution control programs within its jurisdiction. The bill also specifies certain provisions that must be in a contract.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *IDEM:* The number and nature of contracts with IDEM that might occur under the provisions of the bill are unknown. Consequently, the fiscal impact is unknown.

This bill provides that IDEM must enter into a contractual agreement with a local air pollution control agency whenever the local air pollution control agency is willing to enter into the contract. The contract must require IDEM to do the following:

- (1) Advise, consult, and cooperate with the local air pollution control agency.
- (2) Provide technical assistance to the local air pollution control agency.
- (3) Authorize the local air pollution control agency to undertake air pollution control activities.
- (4) Authorize certain alternative actions.
- (5) Provide fair monetary compensation to the local air pollution control agency for the air pollution control work performed on behalf of IDEM.
- (6) Provide that the source of the monetary compensation provided to the local air pollution control agency may

be any of the following:

- (A) U.S. Environmental Protection Agency (EPA) federal grant funding for the purpose of air pollution control program support activities;
 - (B) U.S. EPA federal grant funding for the purpose of PM2.5 air monitoring activities funded under Section 103 of the federal Clean Air Act.
 - (C) Annual operating fees established by the Environmental Rules Board.
 - (D) Environmental Management Special Fund
 - (E) Other revenue sources as approved by the Governor and the State Budget Agency.
- (7) Provide that the monetary compensation provided to the local air pollution control agency must be at least sufficient to cover the staffing and operating costs the local air pollution control agency incurred for air pollution control work performed on behalf of IDEM.
- (8) Provide that the monetary compensation provided to local air pollution control agencies must be tied to the Consumer Price Index (CPI).
- (9) Provide that if a local air pollution control agency applies for grant funding from the U.S. EPA, the Commissioner must approve and facilitate the grant funding agreement between the U.S. EPA and the local air pollution control agency.

The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Background Information - In 2008 and 2009, IDEM allowed contracts with six local air agencies to expire and brought IDEM-related permitting, compliance, and monitoring activities in-house. The local agencies were located in the following local units: Anderson, Evansville, Gary, Hammond, Indianapolis, and Vigo County.

Explanation of State Revenues:

Explanation of Local Expenditures: *Counties, Cities, and Towns:* The bill also provides that a county, city, or town that adopts an ordinance must designate an agency to act as an air pollution control agency to enforce ordinances and undertake air pollution control efforts on behalf of IDEM. An air pollution control agency that has entered into a contract must submit annual reports as requested by IDEM.

The fiscal impact of these provisions will depend on the number and nature of contracts established with IDEM.

Explanation of Local Revenues: See *Explanation of State Expenditures* above.

State Agencies Affected: IDEM.

Local Agencies Affected: Cities, towns, and counties.

Information Sources: IDEM website, <http://www.in.gov/idem/5334.htm>.

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